

In the Matter of the Petition of Certain  
Customers of the Dakota Exchange for the  
Establishment of Extended Area Service  
between the Dakota Exchange and the  
LaCrosse/Onalaska, Wisconsin Exchange

ISSUE DATE: OCTOBER 28, 1987

DOCKET NO. P-401/CP-86-319

ORDER REQUIRING FURTHER  
INVESTIGATION

### PROCEDURAL HISTORY

On June 9, 1986, the Minnesota Public Utilities Commission (the Commission) received a petition from certain subscribers of the Dakota, Minnesota exchange for the installation of extended area service (EAS) between the Dakota exchange and the Wisconsin exchange of LaCrosse/Onalaska. The Dakota exchange is served by Ace Telephone Company (Ace). The LaCrosse/Onalaska exchange is served by Century Telephone of Wisconsin.

On March 3, 1987, the Commission issued its Order Granting Variances from Existing EAS Rules and Order Initiating Joint Investigation (March 3, 1987 Order). The Commission's March 3, 1987 Order initiated an investigation and established a schedule for Commission review of this interstate EAS petition.

On August 20, 1987, the Department of Public Service (DPS) submitted its preliminary report as required by the March 3, 1987 Order.

### FINDINGS AND CONCLUSIONS

The March 3, 1987 Order required AT&T Communications of the Midwest, Inc. (AT&T/MW) to submit a study of the traffic from Dakota to LaCrosse/Onalaska and from LaCrosse/Onalaska to Dakota. It also required the DPS and Ace to stipulate to the community of interest information described in Minn. Rules, part 7815.1000 D., E., F., and G. Finally, it required the DPS to submit a preliminary report setting forth the results of the traffic study, the community of interest information, the DPS's interpretation of this information, and a determination as to whether or not the present service between Dakota and LaCrosse/Onalaska is adequate. The report was also to

monthly toll bills was not available from AT&T/MW's records. Using AT&T/MW's traffic data, however, the DPS was able to calculate the average number of toll calls and average monthly toll billings. Both the traffic study and the average monthly toll calling and billing figures were considered proprietary information pursuant to the provisions of Minn. Rules, part 7830.2900. The DPS's report also contained community of interest information and the DPS's recommendation.

The recommendation of the DPS was that EAS is not warranted and that the petition should be denied. This recommendation was based on the community of interest data, the toll traffic and toll billing information, and an analysis of the adequacy of the present service.

The DPS stated that the community of interest data does not disclose any significant government, commercial, or social interest which would warrant the installation of EAS from the Dakota exchange to the LaCrosse/Onalaska exchange. Customers in the Dakota exchange can reach government, school, medical, law enforcement and fire protection services by a local call.

The DPS also found that neither the average calling nor the average billing figures from the traffic information supplied by AT&T/MW demonstrated a need for EAS. The average number of calls per access line for calls going from Dakota to LaCrosse was not significant, particularly without a breakdown between business and residential calls.

Finally, the DPS found that the present service adequately serves the needs of the customers based upon the non-serious nature of the trouble reports filed by Ace.

The DPS report presents the Commission with two alternatives. The Commission can either find that the proposed EAS route is not in the public interest and deny the petition, or the Commission can find that further investigation is necessary to make a determination. The Commission finds that further investigation is necessary.

The Commission cannot decide that the proposed EAS route is not in the public interest without better information on where the subscribers of the Dakota exchange are employed, the breakdown between residential and business calls from Dakota to LaCrosse/Onalaska, and whether the toll calling to LaCrosse/Onalaska is concentrated among a few Dakota subscribers.

In the DPS report, the employment information indicated "Local farming and small businesses are located in the Dakota, MN exchange. Some people commute to area towns. There are many retired persons living in this area." In order to determine whether a community of interest exists between Dakota and LaCrosse/Onalaska, the Commission needs to know the percent/number of Dakota residents employed outside the Dakota exchange and the percent/number of Dakota residents employed in the LaCrosse/Onalaska exchange.

The Commission agrees with the DPS that a breakdown between residential and business customers for average toll calling and billing figures would be helpful and that such a breakdown might reveal

route may be in the public interest and to order the joint investigation described in the final paragraph of the review schedule appended to the March 3, 1987 Order. On the other hand, the Commission cannot conclude that the proposed EAS route is not in the public interest on the basis of the information available. The Commission will therefore direct the DPS to secure the employment and toll traffic information described above and to present it to the Commission and to the parties for comment. The Commission will then proceed under the review schedule established in the March 3, 1987 Order.

Finally, the Commission is concerned that subscribers in the Dakota exchange may have underestimated the rates for the proposed EAS route. The Commission will therefore direct the DPS to determine whether any information regarding the probable rates has been provided to Dakota subscribers, either through newspaper articles, petition supporters or the telephone company.

The Commission will direct the DPS to submit to the Commission and all parties the additional information requested by the Commission, and described above, within 60 days of the date of this Order. All parties are requested to respond to the additional information, as well as the initial report submitted August 20, 1987, within ten days of the date they receive the additional information.

Following receipt of the additional information and the comments of any interested parties, the Commission will determine either that the proposed EAS route is not in the public interest, or that it may be in the public interest and that the investigation should be continued as described in the schedule contained in the March 3, 1987 Order.

### ORDER

1. Within 60 days of the date of this Order, the Department of Public Service shall submit to the Commission and all parties the additional information on employment, toll traffic and public awareness of probable EAS rates as described herein.
2. Ace Telephone Company shall provide the Department of Public Service with the information necessary to determine the breakdown between residential and business subscribers for calls to the LaCrosse/Onalaska exchange and whether toll calls from the Dakota exchange to the LaCrosse/Onalaska exchange are concentrated among a few Dakota subscribers.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

